



United States Attorney District of New Jersey

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FORMER LAW ENFORCEMENT OFFICER SENTENCED FOR MAIL FRAUD

TRENTON, N.J. – Michael Palermo, 52, of Jackson, N.J., was sentenced today to three years of probation and ordered to pay \$10,000 in restitution for committing mail fraud in connection with a civil lawsuit that he instituted against a contracting company, its principal, and others who constructed and sold him a house in 2006, U.S. Attorney Paul J. Fishman announced.

Palermo, a former Task Force Officer with the Federal Bureau of Investigation, previously pleaded guilty before United States District Judge Peter G. Sheridan to an Information charging him with one count of mail fraud. Judge Sheridan also imposed the sentence today in Trenton federal court.

According to documents filed in this case and statements made in court:

Palermo was an officer with the Port Authority Police Department (PAPD) for over 16 years and was detailed to work with the FBI as a Task Force Officer on violent crime investigations for the last 11 of those years.

Palermo admitted that from February 2007 to January 2009, he schemed to defraud the adverse parties in the civil lawsuit by misrepresenting the cost to clean up water damage in the basement of his home. To further the scheme, Palermo enlisted an individual serving as cooperating witness in cases with which he was involved in an official capacity. Palermo asked this individual to create a false bill indicating Palermo had paid him \$10,000 for repairs, which Palermo later provided in civil discovery to the adverse parties. Palermo never actually paid the individual for any services related to the cleanup of his basement. Palermo also admitted that he made false, sworn statements in a relevant deposition and provided false answers to interrogatories in the civil lawsuit, including that he paid \$10,000 for the repairs, and directed his attorneys to mail those answers to the adverse parties.

U.S. Attorney Fishman credited special agents of the FBI, under the direction of Special Agent in Charge Michael B. Ward in Newark, N.J., with the investigation. He also thanked the Department of Justice's Office of the Inspector General, under the direction of Special Agent in Charge James. E. Tomlinson, and the PAPD, under the direction of Superintendent Michael A. Fedorko, for their vital roles in the investigation.

This government is represented by Assistant U.S. Attorney Eric T. Kanefsky of the U.S. Attorney's Office Special Prosecutions Division.

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Defense counsel: Jack Arseneault, Esq., Chatham, N.J.